

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Plainfield Township	County Iosco
Fiscal Year End 06-30-07	Opinion Date September 24, 2007	Date Audit Report Submitted to State October 16, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).




Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input checked="" type="checkbox"/>	Internal Control Letter	
Certified Public Accountant (Firm Name) Weinlander Fitzhugh, CPA's		Telephone Number 989-893-5577	
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		Zip 48707	
Authorizing CPA Signature 		Printed Name Stewart Reid, CPA	License Number 1101008826

PLAINFIELD TOWNSHIP
IOSCO COUNTY, MICHIGAN

FINANCIAL STATEMENTS
JUNE 30, 2007

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WEINLANDER FITZHUGH

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INDEPENDENT AUDITORS' REPORT

September 24, 2007

Township Board
Township of Plainfield
Iosco County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the Township of Plainfield, Iosco County, Michigan as of and for the year ended June 30, 2007, which collectively comprise the Township's basic financial statements as listed in the index. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund and aggregate remaining fund information of the Township of Plainfield as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

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RSM! McGladrey Network

An Independently Owned Member



WEINLANDER FITZHUGH

Township Board
Township of Plainfield
September 24, 2007
Page 2

The management's discussion and analysis and budgetary comparison information listed in the index are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles and the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Plainfield's basic financial statements. The accompanying other supplemental information, as listed in the index, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Weinlander Fitzhugh

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

Our discussion and analysis of the Township of Plainfield's financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2007.

Financial Highlights

The Township's net assets increased \$109,000 resulting in an ending balance of \$2.3 million. The General Fund reported an increase in fund balance of \$44,000 resulting in an ending balance of \$442,000.

Using this Annual Financial Report

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Plainfield financially as a whole. The *Government-wide Financial Statements* provide information about the activities of the whole Township, presenting both an aggregate view of the Township's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements look at the Township's operations in more detail than the government-wide financial statements by providing information about the Township's funds. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements for the Township's sewer operations. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the Township acts solely as an agent or trustee.

The following summarizes the presentation included in this annual financial report.

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

Budgetary Information for the General Fund, Road Fund, Garbage and Rubbish Collection Fund, Fire Fund, and Loon Lake Fund. (Required Supplemental Information)

Reporting the Township as a Whole

The Statement of Net Assets and Statement of Activities

One of the most important questions asked about the Township's finances is, "Is the Township better or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about the Township as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

These two statements report the Township's net assets as a way to measure the Township's financial position. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, and facility conditions in arriving at their conclusion regarding the overall health of the Township.

Reporting the Township's Most Significant Funds

Fund Financial Statements

The Township's fund financial statements provide detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other sources of revenue. The Township's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

Most of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

These funds are reported in fund financial statements and generally report services for which the Township charges a fee. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements.

This fund presents the Township's sewer operations that are managed by the Township. The Township has sole authority to set rates and is financially responsible for the integrity of the system.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

Fiduciary Funds

The Township is the trustee, or fiduciary, for the Cemetery Trust Fund. All of the Township's fiduciary activities are reported in separate statements of net assets and changes in net assets. We excluded these activities from the Township's other financial statements because the assets cannot be utilized by the Township to finance its operations.

Government-wide Financial Analysis

Financial position - The statement of net assets provides the perspective of the Township as a whole. Exhibit A provides a summary of the Township's net assets as of June 30, 2007 and 2006:

	<u>Exhibit A</u>		Governmental Activities		Business-type Activities	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Assets						
Current and other assets	\$ 1,238,000	\$ 1,057,000	\$ 310,000	\$ 322,000		
Capital assets - net of accumulated depreciation	<u>957,000</u>	<u>999,000</u>	<u>432,000</u>	<u>481,000</u>		
Total assets	<u>2,195,000</u>	<u>2,056,000</u>	<u>742,000</u>	<u>803,000</u>		
Liabilities						
Current liabilities	357,000	336,000	0	0		
Long-term liabilities	<u>8,000</u>	<u>6,000</u>	<u>310,000</u>	<u>365,000</u>		
Total liabilities	<u>365,000</u>	<u>342,000</u>	<u>310,000</u>	<u>365,000</u>		
Net Assets						
Invested in property and equipment - net of related debt	958,000	999,000	122,000	116,000		
Unrestricted	<u>872,000</u>	<u>715,000</u>	<u>310,000</u>	<u>322,000</u>		
Total net assets	<u>\$ 1,830,000</u>	<u>\$ 1,714,000</u>	<u>\$ 432,000</u>	<u>\$ 438,000</u>		

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

Exhibit A , on the previous page, focuses on net assets. The Township's total net assets were \$2.3 million at June 30, 2007. Capital assets net of related debt, totaling \$1.1 million compares the original costs, less depreciation of the Township's capital assets to long-term debt used to finance the acquisition of those assets.

The \$1.2 million of unrestricted net assets of governmental and business-type activities represents the *accumulated* results of all past years' operations. The operating results of the General, Special Revenue and Enterprise Funds will have a significant impact on the change in unrestricted net assets from year to year.

Results of operations - The results of this year's operations for the Township as a whole are reported in the statement of activities, which shows the changes in net assets for the year ended June 30, 2007, and is summarized in Exhibit B.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

	Governmental Activities		Business-Type Activities	
<u>Exhibit B</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue				
Program revenue:				
Charges for services	\$ 479,000	\$ 448,000	\$ 65,000	\$ 64,000
Capital grants and contributions	27,000	6,000	0	0
General revenue:				
Property taxes	524,000	507,000	0	0
State shared revenue	294,000	313,000	0	0
Interest and investment earnings	25,000	16,000	8,000	4,000
Other	53,000	78,000	0	0
Total revenue	<u>1,402,000</u>	<u>1,368,000</u>	<u>73,000</u>	<u>68,000</u>
Function/Program Expenses				
General government	415,000	399,000	0	0
Public safety	223,000	188,000	0	0
Sanitation	219,000	214,000	0	0
Highways and streets	214,000	246,000	0	0
Recreation and culture	8,000	20,000	0	0
Library	49,000	44,000	0	0
Other	58,000	56,000	0	0
Public works	101,000	114,000	0	0
Sewer	0	0	79,000	78,000
Total expenses	<u>1,287,000</u>	<u>1,281,000</u>	<u>79,000</u>	<u>78,000</u>
Increase (decrease) in net assets	<u>\$ 115,000</u>	<u>\$ 87,000</u>	<u>\$ (6,000)</u>	<u>\$ (10,000)</u>

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

As reported in the statement of activities, the cost of all of our *governmental and business-type* activities this year was \$1.4 million. Certain activities were partially funded by \$544,000 received from those who benefited from the programs, or by the other Townships and organizations that subsidized certain programs with grants of \$27,000. We paid for the remaining "public benefit" portion of our governmental and business-type activities with \$524,000 in taxes, \$294,000 in State shared revenue, and with our other revenues, such as interest and miscellaneous revenues.

The Township experienced an increase in net assets of \$109,000 mainly due to actual expenditures being less than anticipated. There were no significant revenue increases this year. The increase in net assets differs from the change in fund balance and a reconciliation appears in the financial statements.

The Township's Funds

The Township uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township is being accountable for the resources taxpayers and others provide to it and may provide more insight into the Township's overall financial health.

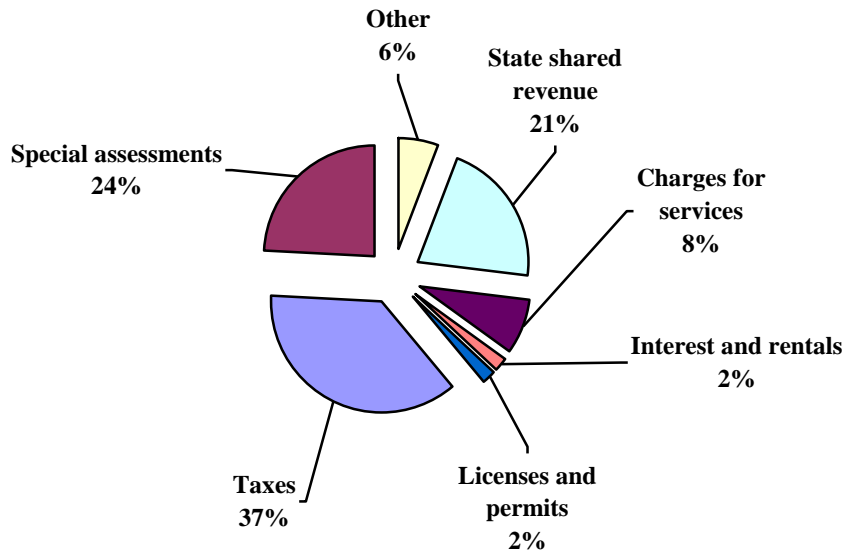
The Township's governmental funds reported a combined fund balance of \$880,000 which is above last year's total of \$722,000. The schedule below details the fund balance and the total change in fund balances as of June 30, 2007 and 2006.

	Fund Balance June 30, 2007	Fund Balance June 30, 2006	Increase (Decrease)
General Fund	\$ 442,000	\$ 398,000	\$ 44,000
Road Fund	246,000	225,000	21,000
Garbage and Rubbish Collection Fund	14,000	(2,000)	16,000
Fire Fund	202,000	123,000	79,000
Loon Lake Improvement Fund	(45,000)	(46,000)	1,000
Library Fund	27,000	30,000	(3,000)
Bass Lake Fund	0	0	0
West Londo Lake Fund	(13,000)	(12,000)	(1,000)
Little Long Lake Fund	7,000	6,000	1,000
Total	<u>\$ 880,000</u>	<u>\$ 722,000</u>	<u>\$ 158,000</u>

The Township's Sewer Fund's net assets decreased \$6,000 resulting in an ending balance of \$432,000.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

The graph below details the major sources of the Township's revenues.



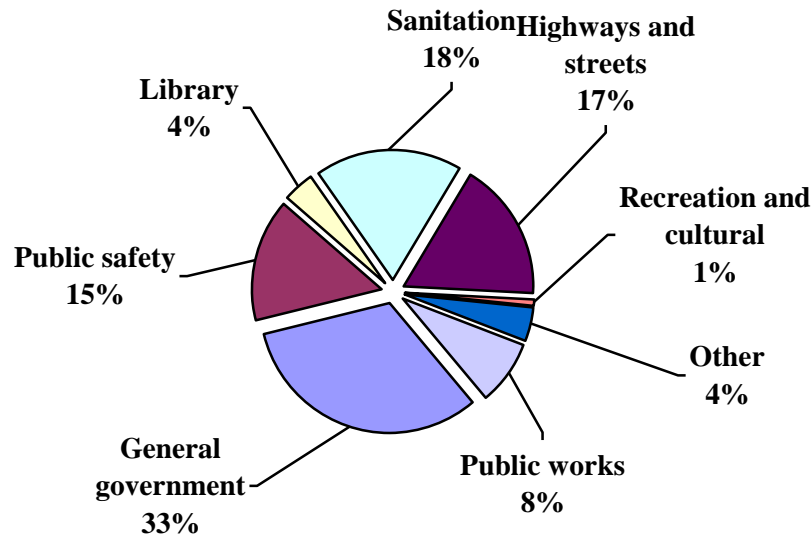
The chart below compares current year revenues with last year.

	2007	2006	Percentage Change
<i>Revenues by Function</i>			
Taxes	\$ 524,000	\$ 507,000	3.35%
Special assessments	339,000	290,000	16.90%
State shared revenue	294,000	313,000	-6.07%
Charges for services	106,000	102,000	3.92%
Licenses and permits	34,000	56,000	-39.29%
Interest and rentals	25,000	16,000	56.25%
Other	80,000	84,000	-4.76%
Total	<u>\$ 1,402,000</u>	<u>\$ 1,368,000</u>	<u>2.49%</u>

Revenues are up \$34,000 mainly due to the receipt of fire equipment grant in the current year and an increase in interest rates.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

The graph below details the major expenditure categories of the Township.



The chart below compares current year expenditures with last year.

	2007	2006	Change
<i>Expenditures by Function</i>			
General government	\$ 400,000	\$ 405,000	-1%
Highways and streets	214,000	246,000	-13%
Sanitation	224,000	213,000	5%
Public safety	190,000	163,000	17%
Other	58,000	56,000	4%
Library	49,000	44,000	11%
Recreation and culture	7,000	19,000	-63%
Public works	101,000	114,000	100%
Total	<u>\$ 1,243,000</u>	<u>\$ 1,260,000</u>	<u>-1%</u>

Expenditures are down \$17,000 from the prior year mostly due to a decrease in engineer expenditures in recreation and culture and a decrease in expenditures in the lake assessment funds.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

Sewer System Fund -The Township's Proprietary fund shows the activity of the Sewer Fund. This fund reported net assets of \$432,000 and a net decrease in net assets of \$6,000.

General Fund Budgetary Highlights

Over the course of the year, the Township revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

Changes to the General Fund original budget were as follows:

- There were no changes to the original budget for revenues.
- Budgeted expenditures were increased to account for the increase in the zoning salaries.

Actual revenues were less than budgeted revenues by \$73,000 mainly due to not receiving other revenues and not receiving as much in licenses and permits. Actual expenditures were less than budgeted expenditures by \$101,000 mainly due to general government and other charges being less than expected.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

Capital Assets

At June 30, 2007, the Township had \$1.4 million invested in a broad range of capital assets, including land, buildings, furniture, equipment and sewer systems. This amount represents a net decrease (including additions and disposals) of approximately \$90,000 or 6%, from last year.

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Land	\$ 500	\$ 500	\$ 15,000	\$ 15,000	\$ 15,500	\$ 15,500
Buildings and improvements	795,000	789,000	0	0	795,000	789,000
Vehicles	17,500	17,500	0	0	17,500	17,500
Machinery and equipment	830,000	830,000	0	0	830,000	830,000
Sewer system	0	0	1,138,000	1,138,000	1,138,000	1,138,000
 Total capital assets	 1,643,000	 1,637,000	 1,153,000	 1,153,000	 2,796,000	 2,790,000
 Less accumulated depreciation	 686,000	 639,000	 721,000	 672,000	 1,407,000	 1,311,000
 Net capital assets	 \$ 957,000	 \$ 998,000	 \$ 432,000	 \$ 481,000	 \$ 1,389,000	 \$ 1,479,000

Fixed asset additions for 2007 were \$6,000 which included the installation of fencing around the perimeter of the waste site. We do not anticipate any fixed asset additions for next year.

We present more detailed information about our capital assets in the notes to the financial statements.

Plainfield Township
Management's Discussion and Analysis
For the Year Ended June 30, 2007

Debt

At the end of this year, the Township had \$318,000 in long-term debt outstanding versus \$371,000 in the previous year – a change of 14%. The Township's debt includes revenue bonds for its sewer system and compensated absences. This debt is summarized as follows:

	<u>2007</u>	<u>2006</u>
Revenue bonds	\$ 310,000	\$ 365,000
Compensated absences	8,000	6,000
	<u>\$ 318,000</u>	<u>\$ 371,000</u>

The Township's General Obligation Bond rating continues to be equivalent to the State's credit rating. We do not anticipate issuing any debt next year.

Factors Expected to Have an Effect on Future Operations

We expect to see a decline in state shared revenue next year as the State of Michigan continues to face challenges in balancing its budget. We will need to adjust Township expenditures in response to any revenue shortfall.

Contacting The Township's Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, contact the Township Clerk's Office at 320 N. Washington, Hale, Michigan 48739.

Plainfield Township
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 1,064,546	\$ 238,554	\$ 1,303,100
Receivables:			
Accounts receivable	111,749	28,967	140,716
Special assessments receivable	0	44,428	44,428
Due from other governmental units	56,712	0	56,712
Internal balances	1,610	(1,610)	0
Prepaid expenses and advances	2,843	0	2,843
Capital assets - less accumulated depreciation of \$1,407,214	<u>957,418</u>	<u>431,665</u>	<u>1,389,083</u>
Total assets	<u>2,194,878</u>	<u>742,004</u>	<u>2,936,882</u>
<u>Liabilities</u>			
Accounts payable	60,226	0	60,226
Note payable	59,485	0	59,485
Deferred revenue	237,540	0	237,540
Noncurrent liabilities:			
Due within one year	0	55,000	55,000
Due in more than one year	<u>7,960</u>	<u>255,000</u>	<u>262,960</u>
Total liabilities	<u>365,211</u>	<u>310,000</u>	<u>675,211</u>
<u>Net Assets</u>			
Invested in capital assets net of related debt	957,418	121,665	1,079,083
Unrestricted	<u>872,249</u>	<u>310,339</u>	<u>1,182,588</u>
Total net assets	<u>\$ 1,829,667</u>	<u>\$ 432,004</u>	<u>\$ 2,261,671</u>

See accompanying notes to financial statements

Plainfield Township
Statement of Activities
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:						
General government	\$ 415,418	\$ 117,908	\$ 0	\$ (297,510)	\$ 0	\$ (297,510)
Public safety	222,507	22,198	26,176	(174,133)	0	(174,133)
Sanitation	218,887	230,259	0	11,372	0	11,372
Highways and streets	213,541	24,213	0	(189,328)	0	(189,328)
Other	58,344	50,500	0	(7,844)	0	(7,844)
Library	48,916	33,970	815	(14,131)	0	(14,131)
Public works	100,993	0	0	(100,993)	0	(100,993)
Recreation and culture	7,612	0	0	(7,612)	0	(7,612)
Total governmental activities	<u>1,286,218</u>	<u>479,048</u>	<u>26,991</u>	<u>(780,179)</u>	<u>0</u>	<u>(780,179)</u>
Business-type activities:						
Sewer	<u>79,419</u>	<u>65,054</u>	<u>0</u>	<u>0</u>	<u>(14,365)</u>	<u>(14,365)</u>
Total primary government	<u>\$ 1,365,637</u>	<u>\$ 544,102</u>	<u>\$ 26,991</u>	<u>(780,179)</u>	<u>(14,365)</u>	<u>(794,544)</u>
General Revenues:						
Property taxes				523,513	0	523,513
State shared revenue				294,259	0	294,259
Investment earnings				24,912	8,097	33,009
Miscellaneous				<u>52,899</u>	<u>0</u>	<u>52,899</u>
Total general revenues				<u>895,583</u>	<u>8,097</u>	<u>903,680</u>
Change in net assets				115,404	(6,268)	109,136
Net assets - beginning of year				<u>1,714,263</u>	<u>438,272</u>	<u>2,152,535</u>
Net assets - end of year				<u>\$ 1,829,667</u>	<u>\$ 432,004</u>	<u>\$ 2,261,671</u>

See accompanying notes to financial statements

Plainfield Township
Governmental Funds
Balance Sheet
June 30, 2007

	Major Funds						
	General	Road	Garbage and Rubbish Collection	Fire	Loon Lake Improvement	Non-Major	Total
	Fund	Fund	Fund	Fund	Fund	Funds	
<u>Assets</u>							
Cash and investments	\$ 391,606	\$ 267,908	\$ 167,263	\$ 202,196	\$ 1,071	\$ 34,502	\$ 1,064,546
Receivables - net	0	0	85,573	26,176	0	0	111,749
Due from other funds	1,642	0	0	0	0	0	1,642
Due from other governmental units	46,054	10,658	0	0	0	0	56,712
Prepaid expenditures and advances	2,843	0	0	0	0	0	2,843
	<u>2,843</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,843</u>
Total assets	<u>\$ 442,145</u>	<u>\$ 278,566</u>	<u>\$ 252,836</u>	<u>\$ 228,372</u>	<u>\$ 1,071</u>	<u>\$ 34,502</u>	<u>\$ 1,237,492</u>
<u>Liabilities</u>							
Accounts payable	\$ 0	\$ 32,550	\$ 1,500	\$ 26,176	\$ 0	\$ 0	\$ 60,226
Due to other funds	0	3	18	11	0	0	32
Note payable	0	0	0	0	46,485	13,000	59,485
Deferred revenue	0	0	237,540	0	0	0	237,540
	<u>0</u>	<u>0</u>	<u>237,540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>237,540</u>
Total liabilities	<u>0</u>	<u>32,553</u>	<u>239,058</u>	<u>26,187</u>	<u>46,485</u>	<u>13,000</u>	<u>357,283</u>
<u>Fund Balance (Deficit)</u>							
Unreserved	442,145	246,013	13,778	202,185	(45,414)	21,502	880,209
	<u>442,145</u>	<u>246,013</u>	<u>13,778</u>	<u>202,185</u>	<u>(45,414)</u>	<u>21,502</u>	<u>880,209</u>
Total fund balance (deficit)	<u>442,145</u>	<u>246,013</u>	<u>13,778</u>	<u>202,185</u>	<u>(45,414)</u>	<u>21,502</u>	<u>880,209</u>
Total liabilities and fund balance	<u>\$ 442,145</u>	<u>\$ 278,566</u>	<u>\$ 252,836</u>	<u>\$ 228,372</u>	<u>\$ 1,071</u>	<u>\$ 34,502</u>	<u>\$ 1,237,492</u>

See accompanying notes to financial statements

Plainfield Township
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2007

Total fund balance - governmental funds	\$	880,209
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Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities are not financial
resources and are not reported in the funds:

Cost of the capital assets	\$ 1,643,605	
Accumulated depreciation	<u>(686,187)</u>	957,418

Long-term liabilities are not due and payable in the current
period and are not reported in the funds:

Compensated absences		<u>(7,960)</u>
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Total net assets - governmental activities	\$	<u><u>1,829,667</u></u>
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See accompanying notes to financial statements

Plainfield Township
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2007

	Major Funds						
	General	Road	Garbage and	Fire	Loon Lake	Non-Major	
	Fund	Fund	Rubbish Collection	Fund	Improvement	Funds	Total
			Fund		Fund		
<u>Revenues</u>							
State shared revenue	\$ 294,259	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 294,259
Taxes and penalties	126,801	174,131	0	177,190	0	45,391	523,513
Charges for services	84,057	0	0	22,198	0	0	106,255
Licenses and permits	33,851	0	0	0	0	0	33,851
Special assessment	0	24,213	230,259	0	50,500	33,970	338,942
Other revenue	3,218	34,426	8,853	32,078	0	1,315	79,890
Interest and rentals	16,705	2,320	585	4,998	91	213	24,912
Total revenues	558,891	235,090	239,697	236,464	50,591	80,889	1,401,622
<u>Expenditures</u>							
General government	399,800	0	0	0	0	0	399,800
Public safety	33,328	0	0	157,070	0	0	190,398
Sanitation	0	0	224,070	0	0	0	224,070
Public works	16,729	0	0	0	50,333	33,931	100,993
Highways and streets	0	213,541	0	0	0	0	213,541
Recreation and culture	6,945	0	0	0	0	0	6,945
Library	0	0	0	0	0	48,916	48,916
Other	58,344	0	0	0	0	0	58,344
Total expenditures	515,146	213,541	224,070	157,070	50,333	82,847	1,243,007
Excess of revenues							
over (under) expenditures	43,745	21,549	15,627	79,394	258	(1,958)	158,615
Fund balance (deficit) - beginning of year	398,400	224,464	(1,849)	122,791	(45,672)	23,460	721,594
Fund balance (deficit) - end of year	\$ 442,145	\$ 246,013	\$ 13,778	\$ 202,185	\$ (45,414)	\$ 21,502	\$ 880,209

See accompanying notes to financial statements

Plainfield Township
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2007

Net change in fund balance - total governmental funds	\$ 158,615
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	
Depreciation expense	(47,623)
Capital outlay	6,250
Increase in compensated absences are reported as expenditures when financial resources are used in the governmental funds	<u>(1,838)</u>
Change in net assets of governmental activities	<u><u>\$ 115,404</u></u>

See accompanying notes to financial statements

Plainfield Township
Proprietary Fund
Statement of Net Assets
June 30, 2007

Assets

Current assets:

Cash and investments	\$ 238,554
Receivables - net	28,967
Total current assets	<u>267,521</u>

Capital assets less accumulated
depreciation of \$721,027

431,665

Special assessments receivable

44,428

Total assets

743,614

Liabilities

Current liabilities:

Current portion of bonds payable	55,000
Due to other funds	1,610

Long-term liabilities:

Bonds payable	<u>255,000</u>
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Total liabilities

311,610

Net Assets

Unreserved	<u><u>\$ 432,004</u></u>
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See accompanying notes to financial statements

Plainfield Township
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2007

<u>Operating Revenues</u>	
Charges for sewer services	\$ 65,054
<u>Operating Expenses</u>	
Personnel costs	9,313
Contractual services	1,286
Utilities	1,754
Repairs and maintenance	4,115
Other supplies and expense	3,176
Depreciation	49,485
Total operating expenses	69,129
Operating income (loss)	(4,075)
<u>Nonoperating Revenues (Expenses)</u>	
Interest income	8,097
Interest expense	(10,290)
Change in net assets	(6,268)
Net assets - beginning of year	438,272
Net assets - end of year	\$ 432,004

See accompanying notes to financial statements

PLAINFIELD TOWNSHIP
Proprietary Fund
Statement of Cash Flows
For the Year Ended June 30, 2007

Cash Flows From Operating Activities

Cash received from customers	\$ 60,963
Cash payments to suppliers for goods and services	(7,313)
Cash payments to employees for services	(9,313)
Other income (expense)	(1,408)
Net cash provided by operating activities	<u>42,929</u>

Cash Flows From Capital and Related Financing Activities

Collection of special assessments	42,492
Principal paid on contracts and bonds	(55,000)
Interest paid on contracts and bonds	(10,290)
Net cash (used) by capital and related financing activities	<u>(22,798)</u>

Cash Flows From Investing Activities

Interest revenue	<u>8,097</u>
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Net increase in cash and investments	28,228
Cash and investments - beginning of year	<u>210,326</u>
Cash and investments - end of year	<u><u>\$ 238,554</u></u>

Reconciliation of Cash Flows from Operations

Operating income (loss)	\$ (4,075)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	49,485
Changes in operating assets and liabilities:	
Accounts receivable	(4,091)
Due to other funds	1,610
Net cash provided by operating activities	<u><u>\$ 42,929</u></u>

See accompanying notes to financial statements

Plainfield Township
Fiduciary Fund
Statement of Net Assets
June 30, 2007

	<u>Cemetery Trust Fund</u>
<u>Assets</u>	
Cash and cash equivalents	<u>\$ 3,681</u>
<u>Net Assets</u>	
Reserved	2,000
Unreserved - undesignated	<u>1,681</u>
Total net assets	<u><u>\$ 3,681</u></u>

Statement of Changes in Net Assets
For the Year Ended June 30, 2007

<u>Additions</u>	
Investment earnings	\$ 136
Net assets - beginning of year	<u>3,545</u>
Net assets - end of year	<u><u>\$ 3,681</u></u>

See accompanying notes to financial statements

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Plainfield conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township of Plainfield:

Reporting Entity

The Township of Plainfield is governed by an elected five member council (Board). The accompanying financial statements present the financial position and results of operations for the Township.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The Township reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

Road Fund – The Road Fund is used to record transactions relative to the repairs and upgrades to existing roads of the Township.

Garbage and Rubbish Collection Fund – The Garbage and Rubbish Collection Fund is used to record transactions relative to the collection and disposal of garbage and rubbish.

Fire Fund – The Fire Fund is used to record transactions relative to the fire services provided to the Township.

Loon Lake – The Loon Lake Improvement fund is used to record transactions associated with the maintenance of Loon Lake.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments – Cash and investments are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds”. Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as “internal balances”.

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Capital Assets – Capital assets, which include land, buildings, equipment and infrastructure assets are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add value or materially extend asset lives are not capitalized.

Land, building, equipment and infrastructure are depreciated using the straight-line method over the following useful lives:

Buildings	15 to 40 years
Building improvements	15 to 20 years
Sewer lines	40 years
Vehicles	7 to 12 years
Machinery and equipment	5 to 7 years

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences – The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method. Leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future receive such payments upon termination.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates – The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – BUDGETS

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue Funds of governments prior to the expenditure of monies in a fiscal year.

The Township of Plainfield follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Township's supervisor submits to the Board a proposed budget prior to July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Budgeted amounts are as originally adopted, or as amended by the Board throughout the year. Individual amendments were not material in relation to the original appropriations. Budgets are adopted to the functional level.
4. Appropriations lapse at year-end. These appropriations are re-established at the beginning of the following year.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 2 – BUDGETS (CONTINUED)

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board) for the General Fund, Road Fund, Garbage and Rubbish Collection Fund, Fire Funds, and Loon Lake Improvement Fund are presented as Required Supplemental Information.

Excess of Expenditures Over Appropriations in Budgeted Funds – During the year, the Township of Plainfield incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

<u>Fund/Function</u>	<u>Total Appropriation</u>	<u>Amount of Expenditure</u>	<u>Budget Variance</u>
Library Fund:			
Library	\$ 46,800	\$ 48,916	\$ 2,116
West Londo Lake Fund:			
Public works	14,140	15,030	890
Loon Lake Improvement Fund			
Public works	50,000	50,333	333

NOTE 3 – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rates within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. The Township's deposits are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental activities	\$ 1,064,546
Business-type activities	238,554
Fiduciary funds	<u>3,681</u>
Total	<u><u>\$ 1,306,781</u></u>

The breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts, certificates of deposit)	\$ 1,116,329
Investments (money market account)	190,202
Petty cash and cash on hand	<u>250</u>
Total	<u><u>\$ 1,306,781</u></u>

Interest Rate Risk

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2007, the Township's investment in the pool was rated AAAm by Standard & Poor's, indicating excellent safety.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of June 30, 2007 \$918,593 of the Township's bank balance of \$1,118,593 was exposed to custodial credit risk because it was uninsured and collateralized.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 4 - CAPITAL ASSETS

Capital asset activity of the Township for the current year was as follows:

	Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 530	\$ 0	\$ 0	\$ 530
Capital assets being depreciated:				
Buildings and improvements	789,467	6,250	0	795,717
Vehicles	17,500	0	0	17,500
Machinery and equipment	829,858	0	0	829,858
Subtotal	<u>1,636,825</u>	<u>6,250</u>	<u>0</u>	<u>1,643,075</u>
Less accumulated depreciation for:				
Buildings	437,515	18,097	0	455,612
Vehicles	10,300	1,750	0	12,050
Machinery and equipment	190,749	27,776	0	218,525
Subtotal	<u>638,564</u>	<u>47,623</u>	<u>0</u>	<u>686,187</u>
Net capital assets being depreciated	<u>998,261</u>	<u>(41,373)</u>	<u>0</u>	<u>956,888</u>
Governmental activities, total capital assets - net of depreciation	<u>\$ 998,791</u>	<u>\$ (41,373)</u>	<u>\$ 0</u>	<u>\$ 957,418</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 15,000	\$ 0	\$ 0	\$ 15,000
Capital assets being depreciated:				
Sewer system	<u>1,137,692</u>	<u>0</u>	<u>0</u>	<u>1,137,692</u>
Less accumulated depreciation for:				
Sewer system	<u>671,542</u>	<u>49,485</u>	<u>0</u>	<u>721,027</u>
Business-type activities, total capital assets, net of depreciation	<u>\$ 481,150</u>	<u>\$ (49,485)</u>	<u>\$ 0</u>	<u>\$ 431,665</u>

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 13,780
Public safety	32,109
Recreation and culture	667
Sanitation	<u>1,067</u>
 Total governmental activities depreciation expense	 <u><u>\$ 47,623</u></u>
 Business-type activities:	
Sewer	<u><u>\$ 49,485</u></u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transfers at June 30, 2007 is as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General fund	\$ 1,642	\$ 0
Special Revenue:		
Garbage and rubbish collection fund	0	18
Road fund	0	3
Fire fund	0	11
Enterprise:		
Sewer	<u>0</u>	<u>1,610</u>
	<u><u>\$ 1,642</u></u>	<u><u>\$ 1,642</u></u>

These interfund receivable and payable balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

There were no interfund transfers made during the year.

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 6 - LONG-TERM DEBT

A summary of the Township's long term debt is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Ending Balance</u>
<u>Business-type Activities</u>				
Contract payable with Iosco County, due in annual installments of \$40,000 to \$50,000 plus interest at the rate of 2.0%, through April 1, 2012.	\$ 285,000	\$ 0	\$ (45,000)	\$ 240,000
1996 Sewer Extension Bond, due in annual installments of \$10,000 to \$20,000 plus interest at the rate of 6.245%, through June 1, 2013.	<u>80,000</u>	<u>0</u>	<u>(10,000)</u>	<u>70,000</u>
Total Business-Type Activities	<u><u>\$ 365,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (55,000)</u></u>	<u><u>\$ 310,000</u></u>

Long-term obligation activity can be summarized as follows:

	Balance July 1, 2006	Additions	Retirements and Payments	Balance June 30, 2007	Amount Due Within One Year
Bonds	\$ 365,000	\$ 0	\$ 55,000	\$ 310,000	\$ 55,000
Compensated absences	6,122	1,838	0	7,960	0
	<u><u>\$ 371,122</u></u>	<u><u>\$ 1,838</u></u>	<u><u>\$ 55,000</u></u>	<u><u>\$ 317,960</u></u>	<u><u>\$ 55,000</u></u>

Plainfield Township
Notes to Financial Statements
For the Year Ended June 30, 2007

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year End June 30</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 55,000	\$ 9,171	\$ 64,171
2009	55,000	7,647	62,647
2010	60,000	6,123	66,123
2011	60,000	4,498	64,498
2012-2013	80,000	4,123	84,123
Total	<u>\$ 310,000</u>	<u>\$ 31,562</u>	<u>\$ 341,562</u>

NOTE 7 – SHORT-TERM DEBT ACTIVITY

The Township issued promissory notes in advance of special assessment payments. These notes are necessary because the Township's cash flow obligation to operating expenditures precede the collection of special assessments that are included on the winter tax bill.

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
West Londo Lake Note	\$ 46,675	\$ 46,485	\$ 46,675	\$ 46,485
Loon Lake Note	13,431	13,000	13,431	13,000
	<u>\$ 60,106</u>	<u>\$ 59,485</u>	<u>\$ 60,106</u>	<u>\$ 59,485</u>

NOTE 8 – DEFICIT FUND BALANCE

The Township's Loon Lake Improvement Fund and West Londo Lake Fund have a deficit fund balance as a result of having excess expenditures over revenues. These deficits will be eliminated through future special assessments.

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
State shared revenue	\$ 295,000	\$ 295,000	\$ 294,259	\$ (741)
Property taxes	120,909	120,909	126,801	5,892
Charges for services	92,650	92,650	84,057	(8,593)
Licenses and permits	55,000	55,000	33,851	(21,149)
Other revenue	60,000	60,000	3,218	(56,782)
Interest and rentals	8,500	8,500	16,705	8,205
Total revenues	632,059	632,059	558,891	(73,168)
<u>Expenditures</u>				
General government	463,240	463,240	399,800	63,440
Public safety	35,730	36,730	33,328	3,402
Public works	17,700	17,800	16,729	1,071
Recreation and culture	10,950	10,950	6,945	4,005
Other charges	87,000	87,000	58,344	28,656
Total expenditures	614,620	615,720	515,146	100,574
Excess of revenues over expenditures	17,439	16,339	43,745	27,406
Fund balance - beginning of year	398,400	398,400	398,400	0
Fund balance - end of year	<u>\$ 415,839</u>	<u>\$ 414,739</u>	<u>\$ 442,145</u>	<u>\$ 27,406</u>

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - Road Fund
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Property taxes	\$ 166,000	\$ 166,000	\$ 174,131	\$ 8,131
Special assessment	16,100	16,100	24,213	8,113
Other revenue	54,300	54,300	34,426	(19,874)
Interest	<u>600</u>	<u>600</u>	<u>2,320</u>	<u>1,720</u>
Total revenues	237,000	237,000	235,090	(1,910)
<u>Expenditures</u>				
Highways and streets	<u>233,000</u>	<u>233,000</u>	<u>213,541</u>	<u>19,459</u>
Excess of revenues over expenditures	4,000	4,000	21,549	17,549
Fund balance - beginning of year	<u>224,464</u>	<u>224,464</u>	<u>224,464</u>	<u>0</u>
Fund balance - end of year	<u>\$ 228,464</u>	<u>\$ 228,464</u>	<u>\$ 246,013</u>	<u>\$ 17,549</u>

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - Garbage and Rubbish Collection Fund
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Special assessment	\$ 236,180	\$ 236,180	\$ 230,259	\$ (5,921)
Other revenue	1,500	1,500	8,853	7,353
Interest	1,000	1,000	585	(415)
Total revenues	238,680	238,680	239,697	1,017
<u>Expenditures</u>				
Sanitation	238,680	238,680	224,070	14,610
Excess of revenues over expenditures	0	0	15,627	15,627
Fund balance (deficit) - beginning of year	(1,849)	(1,849)	(1,849)	0
Fund balance - end of year	<u>\$ (1,849)</u>	<u>\$ (1,849)</u>	<u>\$ 13,778</u>	<u>\$ 15,627</u>

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - Fire Fund
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Property taxes	\$ 163,890	\$ 163,890	\$ 177,190	\$ 13,300
Charges for services	20,000	20,000	22,198	2,198
Other revenue	11,500	11,500	32,078	20,578
Interest	500	500	4,998	4,498
Total revenues	195,890	195,890	236,464	40,574
<u>Expenditures</u>				
Public safety	182,500	182,500	157,070	25,430
Excess of revenues over expenditures	13,390	13,390	79,394	66,004
Fund balance - beginning of year	122,791	122,791	122,791	0
Fund balance - end of year	<u>\$ 136,181</u>	<u>\$ 136,181</u>	<u>\$ 202,185</u>	<u>\$ 66,004</u>

Plainfield Township
Required Supplemental Information
Budgetary Comparison Schedule - Loon Lake Improvement Fund
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Special Assessments	\$ 50,000	\$ 50,000	\$ 50,500	\$ 500
Interest	0	0	91	91
Total revenues	50,000	50,000	50,591	591
<u>Expenditures</u>				
Public works	50,000	50,000	50,333	(333)
Excess of revenues over expenditures	0	0	258	258
Fund balance (deficit) - beginning of year	(45,672)	(45,672)	(45,672)	0
Fund balance (deficit) - end of year	<u>\$ (45,672)</u>	<u>\$ (45,672)</u>	<u>\$ (45,414)</u>	<u>\$ 258</u>

Plainfield Township
Governmental Funds
Combining Balance Sheet-Nonmajor Governmental Funds
June 30, 2007

	<u>Special Revenue Funds</u>				
	<u>Library Fund</u>	<u>Bass Lake Fund</u>	<u>West Londo Lake Fund</u>	<u>Little Long Lake Fund</u>	<u>Total</u>
<u>Assets</u>					
Cash and investments	<u>\$ 27,090</u>	<u>\$ 388</u>	<u>\$ 69</u>	<u>\$ 6,955</u>	<u>\$ 34,502</u>
<u>Liabilities</u>					
Note payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,000</u>	<u>\$ 0</u>	<u>\$ 13,000</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>13,000</u>	<u>0</u>	<u>13,000</u>
<u>Fund Balance (Deficit)</u>					
Unreserved	<u>27,090</u>	<u>388</u>	<u>(12,931)</u>	<u>6,955</u>	<u>21,502</u>
Total fund balance (deficit)	<u>27,090</u>	<u>388</u>	<u>(12,931)</u>	<u>6,955</u>	<u>21,502</u>
Total liabilities and fund balance	<u>\$ 27,090</u>	<u>\$ 388</u>	<u>\$ 69</u>	<u>\$ 6,955</u>	<u>\$ 34,502</u>

Plainfield Township
Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance-Nonmajor Governmental Funds
For the Year Ended June 30, 2007

	Special Revenue Funds				Total
	Library Fund	Bass Lake Fund	West Londo Lake Fund	Little Long Lake Fund	
<u>Revenues</u>					
Taxes and penalties	\$ 45,391	\$ 0	\$ 0	\$ 0	\$ 45,391
Special assessment	0	3,030	14,140	16,800	33,970
Other revenue	815	0	500	0	1,315
Interest and rentals	130	5	20	58	213
Total revenues	<u>46,336</u>	<u>3,035</u>	<u>14,660</u>	<u>16,858</u>	<u>80,889</u>
<u>Expenditures</u>					
Current:					
Public works	0	2,877	15,030	16,024	33,931
Library	<u>48,916</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,916</u>
Total expenditures	<u>48,916</u>	<u>2,877</u>	<u>15,030</u>	<u>16,024</u>	<u>82,847</u>
Excess of revenues over (under) expenditures	(2,580)	158	(370)	834	(1,958)
Fund balance (deficit)- beginning of year	<u>29,670</u>	<u>230</u>	<u>(12,561)</u>	<u>6,121</u>	<u>23,460</u>
Fund balance (deficit) - end of year	<u>\$ 27,090</u>	<u>\$ 388</u>	<u>\$ (12,931)</u>	<u>\$ 6,955</u>	<u>\$ 21,502</u>



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September 24, 2007

Township Board
Township of Plainfield
Iosco County, Michigan

In planning and performing our audit of the financial statements of Township of Plainfield as of and for the year ended June 30, 2007, in accordance with U.S. generally accepted auditing standards, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies. However as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control.

Financial Statement Presentation

As part of our consideration of the internal control over financial reporting, we as auditors are not allowed to be considered to be part of the Township's internal controls. In taking this required position, we must consider whether the Township has the ability, on its own, to monitor and report financial activity in accordance with our professional standards without auditor intervention.

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WEINLANDER FITZHUGH

Township Board
Township of Plainfield
September 24, 2007
Page 2

The Township uses accounting software generated financial statements as a management tool to monitor the financial status of the Township, prepare budgets and to compare current financial trends to historical information which is appropriate for the Township. Due to the complexity of the required government-wide financial statements, proprietary fund reporting and related note disclosures, the Township does not demonstrate the expertise to report in accordance with U.S. generally accepted accounting principles without auditor intervention.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiency constitutes a material weakness.

Segregation of duties

One of the strongest controls in an internal control system is known as "segregation of duties." This means that there are different individuals performing different duties within a specific accounting function. Having multiple individuals performing duties in the same accounting function acts as a check and balance.

As is common in many small organizations, there is often only a few people, sometimes only one person, performing the accounting and financial functions. And it is also common to have these individuals concentrate their efforts in one area. While this is usually more cost efficient, it lends for a weak internal control system. There are generally insufficient checks and balances in place.

This is the situation with the Township of Plainfield. Due to limited staff size, the Township has a lack of segregation of duties with respect to the cash receipts accounting functions because the duties are centralized with one individual.

This communication is intended solely for the information and use of management, and the Township Board and is not intended to be and should not be used by anyone other than these specified parties.